



CONTRACTING-IN SERVICES CONSIDERATIONS AND CHALLENGES

Budget Oversight Committee

A. CURRENT SERVICES AND REVENUES

The City of Long Beach currently contracts-in an average of \$18.2 million in revenue. Attachment A provides details on the all the services provided, the agencies receiving the service and the revenues produced.

B. COSTING METHODOLOGY

A consistent costing methodology is crucial to ensure the accuracy of pricing for services provided to other agencies and cities. Such pricing must also identify and capture the service's overhead costs.

C. CAPACITY OF DEPARTMENTS TO HANDLE ADDITIONAL WORKLOAD

A more detailed contracting-in and capacity analysis would be required when evaluating the potential for expanding services to existing service recipients and/or expanding services to other agencies and cities.

D. WORK ORDER, AND BILLING AND COLLECTION SYSTEMS

The City currently has an inventory of over 20 work order, and billing and collection systems that are used for a variety of purposes. A major challenge with some of the systems is that the rates for labor, materials and supplies, equipment and overhead for the services provided have to be manually calculated and imputed. No direct integration with the City's financial and payroll systems exists. As a result, a manual production is normally necessary when an invoice needs to be developed to bill another agency or city.

E. MARKETING CONSIDERATIONS

A Marketing Plan is an essential document for a large organization planning to market a new or existing product or service. The development of a marketing plan would ensure that any direction and rationale to offer services to other cities would be focused and comprehensible.

F. POTENTIAL LEGAL RAMIFICATIONS

Current law provides some opportunities for providing services to other cities. However, California cities are limited in their functions and powers to those that are governmental, which serve a public purpose. Any direction to actively compete with the private sector will require a formal legal opinion before specific service agreements are finalized.

CITY OF LONG BEACH CONTRACTING-IN SERVICES SUMMARY

Attachment A

DEPARTMENT	AGENCY	SERVICE	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	3 YR AVG
Community Development	AppleOne Employment Services	Leasing of space at Career Transition Center	25,434	25,434	25,434	35,667	45,900	45,900	42,489
	Calif. Employment Development Dept.	Leasing of space at Career Transition Center	111,180	111,180	111,180	111,180	114,172	118,361	114,571
	Casey Family Programs	Leasing of space at Youth Opportunity Center	-	-	-	5,250	-	-	1,750
	Foster Assessment Centers	Leasing of space at Career Transition Center	35,516	35,516	35,516	35,516	32,317	16,320	28,051
	Los Angeles County	Leasing of space at Youth Opportunity Center	-	-	-	-	-	12,000	4,000
	Rivers and Mountains Conservancy	Real Estate and Administrative Assistance	-	-	-	-	-	3,500	1,167
	Starview Family Services, Inc.	Employment Services for Emancipating Foster Youth	-	-	-	-	24,020	-	8,007
Energy	Construction Contractors	Welding Certification Services	-	-	1,600	2,500	3,800	2,400	2,900
		Installation of Gas Services (Pipeline/Meters)	-	-	537,301	555,298	474,621	483,040	504,320
Fire	City of Signal Hill	Fire Service	1,100,000	1,100,000	1,100,000	1,528,331	173,010	-	567,114
	County of Orange	Firefighter Training	-	47,287	-	-	-	-	0
	Long Beach Community College	Instructional Services for City Employees	-	90,000	150,000	255,000	168,890	188,658	204,183
	City of Los Angeles	Regional Training Support	-	-	-	-	-	-	0
Health and Human Services	Catholic Healthcare West	Leasing of clinic space at West Facilities Center	-	-	-	40,000	25,428	-	21,809
	City of Signal Hill	Licensing of Hazardous Waste Facilities	47,274	51,587	45,841	49,363	-	-	16,454
	Cities of Signal Hill, Cerritos, Seal Beach and Los Alamitos	Animal Control	197,860	219,896	273,318	278,334	306,517	384,775	323,209
	Counties of Riverside, San Bernardino and LA; LBUSD; CSULB; UCI; UCSD; and, Non-Profit Clinics in So Cal and Clark County, NV	Public Health Clinical and Lab Services	21,489	77,200	176,512	165,748	138,197	110,663	138,203
Parks, Recreation, and Marine	Long Beach Unified School District	21st Century Community Learning Center - Winners Reaching Amazing Potential Program (After-School Recreation Programs)	-	-	12,750	39,998	92,486	746,409	292,964
	Los Angeles County	Debris Removal on Beaches and Marinas (Partial reimbursement of cost)	-	500,000	500,000	500,000	250,000	436,009	395,336
	YMCA	After-School Recreation Program - Teen Asset Institute	-	-	-	30,000	-	-	10,000
Planning	Long Beach Unified School District	Environmental Impact Review Services	-	15,000	-	-	-	-	0
Police	City of Signal Hill and Los Alamitos, CHP, and LBUSD	Pistol Range (Los Alamitos added in FY 05)	11,550	6,900	12,000	9,050	17,950	22,900	16,633
	City of Signal Hill	Computer Aided Dispatch/Records Management	93,500	80,000	79,639	57,098	58,638	68,335	61,357
	Federal Bureau of Investigations	South Los Angeles County Violent Crime Task Force	-	Cost of OT	-	-	4,062	31,283	11,782
		Joint Anti Terrorism Task Force	-	-	4,096	7,057	9,206	16,787	11,017
	Los Angeles County	Carmelitos Policing Contract	272,000	395,320	314,470	373,020	318,276	277,500	322,932
	LA Interagency Metropolitan Police Apprehension and Crime Task Force	Narcotics Task Force Participation	-	140,000	110,422	45,623	44,924	38,610	43,052
	Long Beach Community College	Instructional Services for City Employees	-	75,000	182,981	286,358	255,292	314,959	285,536
		Psychological Testing	-	-	250	-	-	-	0
		Security Services	-	-	-	-	1,162,421	1,657,692	940,038
	Long Beach Towne Center	Security Services	-	-	-	24,384	118,086	85,281	75,917
	Long Beach Transit	Long Beach Transit Policing Contract	405,500	519,160	510,215	571,290	633,139	612,249	605,559
	Long Beach Unified School District	Psychological Testing	1,500	2,000	250	500	-	-	167
		School Resource Officers	-	399,620	381,117	372,025	390,513	403,540	388,693
Police	Regional Auto Theft Prevention Task Force	Regional Auto Theft Prevention Task Force (TRAP)	-	128,500	173,789	186,307	221,281	207,401	204,996
	US Dept. of Customs	Participation in US Customs Task Force (Overtime)	-	13,000	10,361	15,384	19,392	3,890	12,889
	US Secret Service	Participation in Organized Crime Drug Enforcement	-	9,000	8,498	-	-	-	0
		Participation in International Fraud Task Force	-	-	-	13,604	3,085	-	5,563

DEPARTMENT	AGENCY	SERVICE	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	3 YR AVG
	Woman's Shelter of Long Beach	Detective Response for Domestic Violence Service Calls	-	-	18,000	18,000	-	-	6,000
Public Works	Cal Trans	Traffic Control Service During 710 Fwy Improvements	-	20,000	Cost of service		-	-	0
		Road Maintenance	14,000	14,000	13,100	-	-	-	0
	Cal Trans and Several Adjacent Cities	Traffic Signal Maintenance	172,000	172,000	132,000	109,570	113,075	106,373	109,673
	City of Seal Beach	Parking Meter Collection and Maintenance	12,000	12,000	12,000	12,000	12,000	12,000	12,000
	El Dorado Food Service	Carpet Cleaning	-	3,000	-	-	-	-	0
	Daugherty Sky Harbor Assoc.	Airport Ramp Sweeping	-	-	3,380	3,380	1,105	-	1,495
	City of Signal Hill and State of California	Street Sweeping	110,000	127,000	137,000	143,687	136,054	75,734	118,492
	Long Beach Unified School District	Fuel Tank Usage	13,647	14,600	18,225	24,634	20,569	29,280	24,828
	State of California	Recycling Market Development Zone Program Admin	-	80,000	90,000	73,552	95,691	90,113	86,452
	Taxi Cab, Ambulance and Tow Truck Companies	Vehicle Inspection Services	3,000	-	15,300	13,950	14,475	19,025	15,817
Technology Services	City of Cerritos, St. Mary's Medical Ctr., LB Transit, LBCC, and LBUSD	Radio Equipment Maintenance (LBUSD added in FY 05)	18,400	27,500	17,575	17,200	17,200	46,842	27,081
	Cities of Signal Hill and Cerritos, LBCC, LBUSD, LB Transit, St. Mary's Medical Ctr. and SCE	Radio Tower Service (Cerritos added in FY 05)	71,400	71,400	81,000	81,000	88,413	90,481	86,631
	Long Beach Transit	Telephone Maintenance and Repair	6,178	6,178	6,178	6,178	6,178	-	4,119
Water	Various Agencies	Water Quality Laboratory Testing	-	15,000	15,000	15,000	-	-	5,000
	Water Replenishment District of So Cal	Operations of Alamitos Seawater Barrier Treatment Plant	-	250,000	-	-	-	-	0
SUB-TOTAL:			\$2,743,428	\$4,854,278	\$5,316,298	\$6,112,036	\$5,610,383	\$6,758,310	6,160,243
Utilities									0
Energy	Multiple Municipalities in LA and OC	SERRF (Jurisdiction Refuse Disposal)	7,293,000	7,293,000	8,016,000	10,321,288	8,862,825	8,442,092	9,208,735
	Calif. Dept. of Justice and US Customs	Drug Burns (SERRF)			57,000	57,000	57,000	87,000	67,000
	Cities of Signal Hill, Compton, Lakewood, Paramount, Los Alamitos and Los Angeles	Gas Services	-	Unknown	1,313,906	2,143,864	2,495,832	2,725,325	2,455,007
Water	City of Hawaiian Gardens	Water Services	-	7,500	10,000	10,000	5,000	13,716	9,572
	City of Lakewood	Water Services	-	-	2,000	2,000	1,000	8,500	3,833
	City of Los Alamitos	Water Services	-	-	-	-	-	28,250	9,417
	City of Paramount	Water Services	-	-	-	-	-	33,407	11,136
	City of Signal Hill	Water Services	-	-	-	-	-	4,468	1,489
	Los Angeles County Island	Water Services	-	-	-	200,000	100,000	209,677	169,892
	Lakewood Country Club	Reclaimed Water Services	-	150,000	150,000	170,000	85,000	108,512	121,171
SUB-TOTAL:			\$7,293,000	\$7,450,500	\$9,548,906	\$12,904,152	\$11,606,657	\$11,660,947	12,057,252
GRAND TOTAL:			\$10,036,428	\$12,304,778	\$14,865,204	\$19,016,188	\$17,217,040	\$18,419,257	18,217,495

Note:

1. The Fire Department exchanges services with the following agencies: California Paramedic Institute, El Camino Community College, NorthStar Emergency Medical Academy, and the Regents of University of California.